

STATE BONDING FUND  
INVESTMENT PERFORMANCE REPORT AS OF JUNE 30, 2003

	June-03					March-03				December-02				September-02				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation		Quarter Net ROR	Month Net ROR	Market Value	Allocation		Quarter Net ROR	Market Value	Allocation		Quarter Net ROR	Market Value	Allocation		Quarter Net ROR	Net	Net	6/30/2003 Net	6/30/2003 Net
		Actual	Policy				Actual	Policy			Actual	Policy			Actual	Policy					
<b>LARGE CAP DOMESTIC EQUITY</b>																					
<i>Structured Growth</i>																					
AllianceBernstein	117,647	2.3%	2.3%	10.39%	0.00%	127,347	2.7%	2.3%	-0.09%	90,682	1.9%	2.3%	2.89%	88,119	1.9%	2.3%	-13.54%	-1.88%	-28.65%	-21.24%	-6.07%
Russell 1000 Growth				14.31%	1.38%				-1.07%				7.15%				-15.05%	2.94%	-26.49%	-21.54%	-5.03%
<i>Structured Value</i>																					
LSV	113,422	2.2%	2.3%	19.71%	1.86%	95,907	2.0%	2.3%	-5.77%	101,706	2.1%	2.3%	6.49%	95,492	2.1%	2.3%	-18.63%	-2.25%	2.41%	8.84%	3.73%
Russell 1000 Value				17.27%	1.25%				-4.86%				9.22%				-18.77%	-1.02%	-8.96%	-0.19%	1.05%
<i>S&amp;P 500 Index</i>																					
State Street	545,119	10.6%	10.5%	15.39%	1.27%	478,114	10.1%	10.5%	-3.17%	473,725	10.0%	10.5%	8.41%	436,958	9.6%	10.5%	-17.26%	0.23%	-18.03%	-11.28%	-1.69%
S&P 500				15.39%	1.28%				-3.15%				8.44%				-17.28%	0.25%	-17.99%	-11.20%	-1.62%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>776,187</b>	<b>15.1%</b>	<b>15.0%</b>	<b>15.15%</b>	<b>1.19%</b>	<b>701,367</b>	<b>14.8%</b>	<b>15.0%</b>	<b>-3.03%</b>	<b>666,113</b>	<b>14.0%</b>	<b>15.0%</b>	<b>7.33%</b>	<b>620,568</b>	<b>13.6%</b>	<b>15.0%</b>	<b>-16.96%</b>	<b>-0.48%</b>	<b>-16.89%</b>	<b>-9.33%</b>	<b>-1.90%</b>
S&P 500				15.39%	1.28%				-3.15%				8.44%				-17.28%	0.25%	-17.99%	-11.20%	-1.62%
<b>SMALL CAP DOMESTIC EQUITY</b>																					
<i>Manager-of-Managers</i>																					
SEI	261,361	5.1%	5.0%	23.45%	2.03%	217,222	4.6%	5.0%	-4.21%	226,769	4.8%	5.0%	4.91%	216,166	4.7%	5.0%	-19.31%	0.09%	-11.77%	N/A	N/A
Russell 2000 + 200bp				24.00%	1.98%				-4.00%				6.68%				-20.97%	0.36%	-7.96%	N/A	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>261,361</b>	<b>5.1%</b>	<b>5.0%</b>	<b>23.45%</b>	<b>2.03%</b>	<b>217,222</b>	<b>4.6%</b>	<b>5.0%</b>	<b>-4.21%</b>	<b>226,769</b>	<b>4.8%</b>	<b>5.0%</b>	<b>4.91%</b>	<b>216,166</b>	<b>4.7%</b>	<b>5.0%</b>	<b>-19.31%</b>	<b>0.09%</b>	<b>-11.69%</b>	<b>-3.49%</b>	<b>1.64%</b>
Russell 2000				23.42%	1.81%				-4.49%				6.16%				-21.40%	-1.63%	-8.59%	-3.30%	0.97%
<b>CONVERTIBLES</b>																					
TCW	514,543	10.0%	10.0%	11.99%	0.65%	490,295	10.3%	10.0%	1.17%	484,597	10.2%	10.0%	8.16%	448,073	9.8%	10.0%	-10.05%	10.23%	-20.37%	-9.51%	3.90%
First Boston Convertible Index				10.64%	0.65%				3.82%				9.83%				-8.47%	15.46%	-12.44%	-3.77%	5.29%
<b>INTERNATIONAL EQUITY</b>																					
<i>Large Cap - Active</i>																					
Capital Guardian	422,117	8.2%	8.0%	17.03%	3.06%	393,793	8.3%	9.0%	-10.02%	437,480	9.2%	9.0%	7.28%	408,577	9.0%	10.0%	-20.60%	-10.31%	-12.10%	-15.85%	0.02%
MSCI EAFE - 50% Hedged				17.26%	2.86%				-9.03%				4.04%				-20.02%	-11.24%	-14.62%	-15.51%	-5.33%
<i>Small Cap - Value</i>																					
Lazard	54,017	1.1%	1.0%	21.81%	1.71%	44,334	0.9%	1.0%	-7.22%	47,790	1.0%	1.0%	N/A	-	0.0%	10.0%	N/A	N/A	N/A	N/A	N/A
Citigroup Broad Market Index < \$2BN				23.03%	4.80%				-2.09%				N/A				N/A	N/A	N/A	N/A	N/A
<i>Small Cap - Growth</i>																					
Vanguard	50,109	1.0%	1.0%	N/A	-0.40%	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
SSB BROAD MARKET INDEX < \$2BN				0.00%	4.80%				N/A				N/A				N/A	N/A	N/A	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>526,243</b>	<b>10.2%</b>	<b>10.0%</b>	<b>17.56%</b>	<b>2.97%</b>	<b>438,127</b>	<b>9.2%</b>	<b>10.0%</b>	<b>-9.74%</b>	<b>485,271</b>	<b>10.2%</b>	<b>10.0%</b>	<b>7.78%</b>	<b>408,577</b>	<b>9.0%</b>	<b>10.0%</b>	<b>-20.60%</b>	<b>-9.20%</b>	<b>-12.10%</b>	<b>-15.51%</b>	<b>0.27%</b>
MSCI EAFE - 50% Hedged				17.26%	2.86%				-9.03%				4.04%				-20.02%	-11.24%	-14.62%	-15.51%	-5.33%
<b>DOMESTIC FIXED INCOME</b>																					
<i>Core Bond</i>																					
Western Asset	1,283,315	25.0%	25.0%	3.58%	-0.26%	1,243,291	26.2%	25.0%	2.16%	1,260,272	26.5%	25.0%	2.96%	1,229,080	26.9%	25.0%	3.51%	12.77%	8.36%	11.23%	8.12%
Lehman Aggregate				2.50%	-0.20%				1.39%				1.57%				4.58%	10.39%	8.62%	10.07%	7.54%
<i>Index</i>																					
Bank of ND	707,312	13.8%	15.0%	3.45%	-0.35%	683,444	14.4%	15.0%	1.65%	668,538	14.1%	15.0%	1.65%	688,481	15.1%	15.0%	5.96%	13.26%	8.38%	10.87%	7.78%
Bank of ND CD'S	-	0.0%	0.0%	N/A	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<b>Total Index</b>	<b>707,312</b>	<b>13.8%</b>	<b>15.0%</b>	<b>3.45%</b>	<b>-0.35%</b>	<b>683,444</b>	<b>14.4%</b>	<b>15.0%</b>	<b>1.65%</b>	<b>668,538</b>	<b>14.1%</b>	<b>15.0%</b>	<b>1.65%</b>	<b>688,481</b>	<b>15.1%</b>	<b>15.0%</b>	<b>5.96%</b>	<b>13.26%</b>	<b>8.38%</b>	<b>10.87%</b>	<b>7.78%</b>
Lehman Gov/Credit				3.52%	-0.40%				1.65%				1.73%				5.70%	13.14%	8.24%	10.82%	7.83%
<i>BBB Average Quality</i>																					
Strong	556,288	10.8%	10.0%	6.01%	-0.06%	526,601	11.1%	10.0%	3.29%	506,945	10.7%	10.0%	4.48%	487,305	10.7%	10.0%	3.07%	17.91%	N/A	N/A	N/A
Lehman US Credit BAA				6.54%	-0.05%				3.40%				4.59%				2.70%	18.33%	N/A	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>2,546,914</b>	<b>49.6%</b>	<b>50.0%</b>	<b>3.97%</b>	<b>-0.24%</b>	<b>2,453,336</b>	<b>51.7%</b>	<b>50.0%</b>	<b>1.63%</b>	<b>2,435,755</b>	<b>51.2%</b>	<b>50.0%</b>	<b>2.89%</b>	<b>2,404,866</b>	<b>52.7%</b>	<b>50.0%</b>	<b>4.11%</b>	<b>13.18%</b>	<b>7.38%</b>	<b>10.80%</b>	<b>7.81%</b>
Lehman Gov/Credit				3.52%	-0.40%				1.65%				1.73%				5.70%	13.14%	8.24%	10.82%	7.83%
<b>CASH EQUIVALENTS</b>																					
Bank of ND	513,351	10.0%	10.0%	0.32%	0.10%	441,481	9.3%	10.0%	0.35%	459,252	9.7%	10.0%	0.41%	465,531	10.2%	10.0%	0.48%	1.57%	2.41%	3.26%	4.15%
90 Day T-Bill				0.33%	0.14%				0.30%				0.43%				0.45%	1.52%	2.63%	3.33%	4.08%
<b>TOTAL BONDING FUND</b>	<b>5,138,599</b>	<b>100.00%</b>	<b>100.00%</b>	<b>8.37%</b>	<b>0.58%</b>	<b>4,741,827</b>	<b>100.00%</b>	<b>100.00%</b>	<b>-0.30%</b>	<b>4,757,758</b>	<b>100.00%</b>	<b>100.00%</b>	<b>4.21%</b>	<b>4,563,781</b>	<b>100.00%</b>	<b>100.00%</b>	<b>-4.50%</b>	<b>7.52%</b>	<b>-2.86%</b>	<b>1.61%</b>	<b>4.90%</b>
POLICY TARGET BENCHMARK				7.75%	0.39%				-0.30%				3.96%				-3.96%	7.25%	-1.19%	2.20%	4.57%

NOTE: Monthly returns and market values are preliminary and subject to change.